



Pioneering a Sector Led Approach to Fair and Effective Debt Management

Gareth Evans and Matt Earnshaw – The Financial Inclusion Centre

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Introductions and background – RFS Programme

Why Council Debt Collection?

Current context

Council exploration:

- Key challenges facing Councils
- Practical resources / information to support sector

What next?

Reshaping Financial Support programme:

- Local Government Association's RFS Programme commenced Nov 2019:
'Work collaboratively with Councils to build on existing good practice and accelerate further development, coordination and innovation in preventative support delivered to improve the financial circumstances of low-income households.'

- Working with 7 Councils:

**Barking &
Dagenham**


ROYAL borough of
GREENWICH


Leeds
CITY COUNCIL


Brighton & Hove
City Council

Newcastle
City Council 


TOWER HAMLETS


BRISTOL
CITY COUNCIL

- Comprehensive programme of Action Learning / consultancy / direct funding.

Reshaping Financial Support programme:

Impact of Covid-19 – programme pivoted April 2020:

- Network expanded to 30+ councils - responding to key Covid issues/topics.
- Lobbying and policy work with government and other sector stakeholders.
- Sector-wide webinars on key topics (financial hardship / local welfare / affordable finance).
- Learning resources and good practice guides (e.g. Delivering Financial Hardship Support Schemes / Affordable Credit).
- Demand Dashboard on Financial Hardship and Economic Vulnerability

Why Debt Collection?

- Identified as a priority theme within RFS programme.
- Previous webinar focused on Debt and Collections (with presentations from Cabinet Office, Money Advice Trust and MaPS)
- Financial impact of Covid and escalation of debt with Council
- So much information / research and resources – help Councils to navigate.
- Increasing recognition of alternative tailored / ethical / supportive approaches to debt collection.

POLLS: Council Debt Management

Go to link into chat

www.menti.com

Code: 7605 6797

1. Supporting vulnerable customers

Please pick and rank the three items from the list below that you think will be the most important for your council over the next 12-18 months:

1. Formal vulnerability policy/document
2. Ensuring the vulnerability policy/document is used consistently across the council
3. Communicating/engaging with vulnerable residents during collection activity
4. Using data to effectively identify/target vulnerable residents.
5. Formal training for frontline staff to help them identify vulnerability 'red flags'
6. Effective referrals to other relevant support providers
7. Supporting the wellbeing of staff engaging with vulnerable residents

2. Assessing affordability

Please pick and rank the three items from the list below that you think will be the most important for your council over the next 12-18 months:

1. Robust process to measure resident affordability during collection/recovery.
2. Flexible payment options to support different income circumstances of residents
3. Adopting the Standard Financial Statement (SFS) to assess affordability
4. Ensuring that your affordability measure / SFS is used consistently across council.
5. Supporting resident via affordability statements to build financial resilience.
6. Building relationships with local agencies to consistently use affordability measures
7. Engaging hard-to-reach residents to put in place affordable debt recovery plans

3. Supporting access to money/debt advice

Please pick and rank the three items from the list below that you think will be the most important for your council over the next 12-18 months:

1. Increasing the scale of money/debt advice to deal with increasing demand.
2. Comprehensive multi-channel support offer – online / phone / face-to-face.
3. Basic signposting information for debt advice providers.
4. Offering referrals to a trusted debt advice partner/s via ‘warm transfer’.
5. Embedding important support information within your collection/recovery comms.
6. Using data to identify/target residents with financial difficulties or problem debts.
7. Using triggers or ‘red flags’ to stimulate earlier resident support services.

The current landscape

27%

UK adults (14.2m) with low levels of financial resilience

8.5m

UK adults over-indebted

9%

StepChange clients rationing or going without basic utilities for 5 or more days

29%

New StepChange clients with council tax arrears

21%

Of those over-indebted who have accessed debt advice to deal with their problem debt

35%

Of those over-indebted who don't want to face dealing with their problem debt

31%

Of those over-indebted who say they have a lack of awareness that free support services exist or whom to contact

<https://www.fca.org.uk/publications/research/financial-lives-2020-survey-impact-coronavirus>

Building an evidence base

Customise this report ↓

Modify report

Change area: Peterborough

Change comparison group: All English single...

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Local Government Association

Financial hardship and economic vulnerability



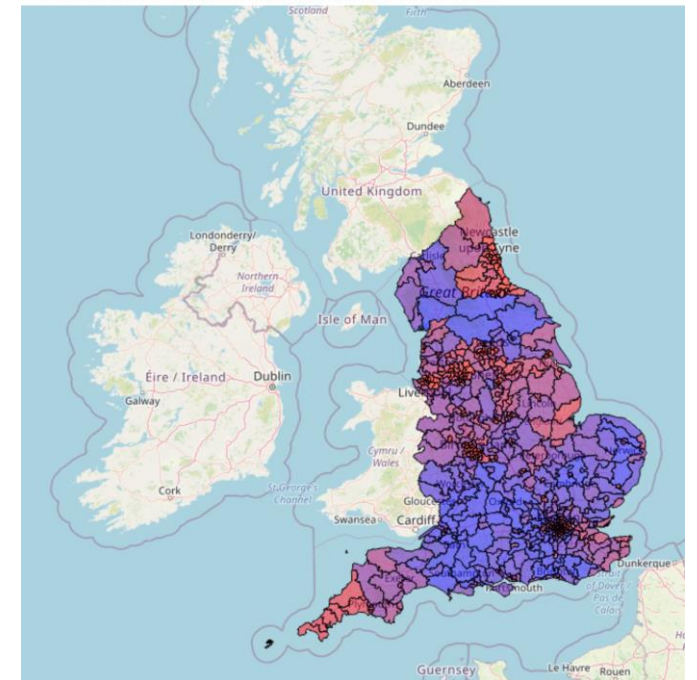
Written by LGA Research from Local Government Association

Financial hardship & economic vulnerability dashboard

Pulls together a suite of indicators in one [document](#) - providing an overview of financial hardship and economic vulnerability at local authority geographies, including:

- Deprivation/poverty
- Employment/labour market
- Housing need
- Financial vulnerability
 - Financial confidence
 - Credit need & demand
 - Food/fuel poverty
 - Insolvencies
 - Over-indebtedness

Financial Vulnerability Index by Parliamentary Constituency



Discussion topic 1:

**What are the challenges facing
Council collection teams? – current /
future?**

Discussion topic 2:

What practical resources and support would aid councils?

Gareth Evans

Director

Financial Inclusion Centre

T: 07949 237 114

E: gareth.evans@inclusioncentre.org.uk

L: www.linkedin.com/in/garethevansgreconsulting/